

**MINUTES**  
**MICHIGAN STATE TRANSPORTATION COMMISSION MEETING**  
**May 29, 2003**  
**Lansing, Michigan**

Meeting noticed in accordance with Open Meetings Act, Public Act 267 of 1976.

Present:            Ted Wahby, Chairman  
                     Betty Jean Awrey, Vice Chairwoman  
                     C. Robert Baillod, Commissioner  
                     Robert Bender, Commissioner  
                     John Garside, Commissioner  
                     Lowell Jackson, Commissioner

Also Present:     Gloria Jeff , Director  
                     Rob Abent, Bureau of Multi-Model Transportation  
                     Terry Anderson, Bureau of Highway Development  
                     Sharon Edgar, Bureau of Multi-Modal Transportation  
                     John Friend, Bureau of Highway Delivery  
                     Myron Frierson, Bureau of Finance and Administration  
                     Leon Hank, Chief Administrative Officer  
                     Pat Isom, Assistant Attorney General  
                     Jerry Jones, Commission Auditor  
                     Sandra Lammert, Executive Secretary  
                     Pat Lockwood , Commission Advisor  
                     Susan Mortel, Bureau of Transportation Planning  
                     Kirk Steudle, Chief Deputy Director  
                     Larry Tibbits, Chief Operations Officer

A list of those people who attended the meeting is attached to the official minutes.

Chairman Wahby called the meeting to order at 9:10 a.m. in the Aeronautics Auditorium, Lansing , Michigan.

**COMMISSION BUSINESS**

**Commission Minutes**

It was moved by Commissioner Awrey, with support from Commissioner Bender, to approve the draft minutes of the April 24, 2003 meeting, with the revisions to pages 7 and 8, as submitted. Commissioner Jackson commented that last page, last paragraph regarding Land Use Institute required clarification as to the Institute being a critic of MDOT. and that the word issue, the last word in the sentence, should be changed to "urban sprawl." Commissioner Wahby made the motion to accept the changes and Commissioner Awrey seconded that motion. The motion carried on a unanimous voice vote.

Chairman Wahby asked Commission Advisor, Pat Lockwood, to discuss the changes in the Commission materials. The Advisor stated that there was in front of the Commissioners a revised agenda, clarifications to pages 7 and 8, which are now a part of the official minutes. That Supplemental A-3 was added and Exhibit A-1, item 38, has been requested to be withdrawn.

## **DIRECTOR'S REPORT**

### **Five-Year Plan Presentation**

The Director provided a draft of the proposed Five-Year Bridge & Road Plan. It is the fifth volume of this effort initiated in 1999 to provide MDOT with a mechanism to improve our communication with the customers. In developing the plan, the Department looked at how much progress was being made, the need to reflect the new revenue forecast, and changes in revenue projections and the impacts of our new initiative, which is a balancing of preservation and new improved new roads and construction and capacity improvements.

The Director then addressed revenue estimates. The current 2003 federal allocation is a approximately \$31.6 billion nationally and assuming that there would be an increase of two percent. Being re-authorization year, we decided to take a conservative estimate and recognize that next year we will have better figures. The two percent projection represents about \$3.3 billion dollars over the next five years in federal aid. We then looked at the state revenue estimates utilizing the projections of revenues provided by the State of Michigan. We anticipated about \$1.5 billion will come to the Michigan Department of Transportation. A comparable amount will go to the counties and a slightly smaller amount will go to the cities and villages.

In addition, we have been reviewing bonding. Last year we were predicting about \$660 million worth of bonding and that amount was reduced to about \$500 million in July. About \$240 million of that in bond revenue is being spent on capacity improvements and new road projects. The balance of that money initially identified for capacity improvements and new roads has now been focused on preservation activities. What we are seeing in our revenue changes between last year's five-year program and this one, is a loss of about \$267 million dollars in revenue strength. This is due to a downturn in revenues and the loss of the participation by the State's Budget stabilization fund. We decided to address this by reducing the amount of ongoing capacity improvements and new project phase work and actively go after additional Federal Aid.

The five-year program we are presenting to you today in a draft version continues us on the course that has been sent by the Transportation Commission and the Governor. It implements the strategies and goals we talked about in terms of our road and bridge goals and provides for appropriate fixes, long-term and short-term. It focus on where the most heavily utilized portions of the systems are, where we get the greatest value for the investments made. The five-year program is our method for consistently providing project delivery. This was initiated not as a result of a federal requirement, but as part of MDOT's efforts to be good stewards of the funds made available to it. It enables us to provide the traveling public and businesses with a good sense we are investing in a manner that will let businesses stay competitive.

Director Jeff relayed some of the accomplishments. More than 93 percent of the elements of the five-year program that have been promised have been delivered. Over 1100 miles of roadway have been rehabilitated, added over 60 miles of passing-relief lanes, and upgraded over 850 bridges. We have improved the overall health of our system. In 1996 we had about 63 ½ percent of the roads in good condition. With our investment strategy today, we are up to about 75 percent. We have also been able to stabilize the deterioration of bridges. Safety still remains one of the highest priorities of the Department. The Transportation Economic Development Fund (TEDF) provides an excellent opportunity to leverage several hundred

billion dollar of private sector investment. This year's program is giving us \$226 in private sector development for every dollar of investment by the public sector. We are doing a good job cleaning up the air and using the funds to improve the quality of life in our enhancement programs.

The Director discussed the 2003-2007 Five-Year Road and Bridge Program. It improves over 400 miles of roadway and 280 bridges on an annual basis. It extends the life of about 1500 miles of pavement each year. The Preserve First initiative represents only about eight percent of our program. We still continue the focus of about 60 percent of the dollars being spent on the preserve activities that were separate from Preserve First. We continue to have a capacity improvement and new road programs. We have not eliminated capacity improvement/new roads but rather balanced them with preservation.

Preserve First continues our emphasis on preserving the existing system. It concentrates on freeways and high volume routes. It focus on the portion of the State where we have poor conditions. It helps the Department achieve its goals. It is only eight percent of the total five-year program. The other 92 percent is consistent with the investment strategies that were already in place. We will be adding about \$400 million in Preserve First over the next four years—adding about \$350 million in capacity improvement and new roads and looking to add another \$104 million in safety, bridge enhancement, and noise amenities. We heard from the Commission yesterday that they have concerns about the fact that we have deferred projects and that they will be difficult to continue to do as cost effectively once they have been deferred. As we develop a methodology, we are going to take into account the concerns the Commission has raised about projects that have been deferred.

Next Director Jeff discussed Major Investment Areas. Adding approximately a half a billion dollars for pavement preservation on an annual basis, helps to extend the life of our pavement by about seven years. We will be doing about 1500 miles on an annual basis. With respect to bridges, we will be adding about \$208 million on an annual basis. The 2003-2007 five-year program continues to progress toward the Commission's preservation goal. Due to the system condition of less money and the fact we needed additional preservation work, we have modified the investment strategy. We will be initiating our 2008 call for projects, so we can get back on schedule to deliver this program to the Commission. We are not asking this document to be approved at this meeting. MDOT will actively engage in an outreach to members of the Commission, elected officials, advocacy organizations, representatives of the various elements of the road and bridge community, and transportation community to look at the strategy and to make modifications as we get comments and work with the Governor's office and others, so that what we present to the Commission next month is reflective of direction of all the input.

Commissioner Jackson commented on the 90 percent goal and capacity improvements. He expressed concern as to what would happen when it was time to restore the deferred projects, due to lack of revenue and increased debt service. He said he would be more satisfied with the five-year plan if there were some sort of model included which compared the relative advantage of preservation projects with respect to economic impact. Commissioner Jackson feels the five-year plan is missing information on the total impact of the five-year plan on some very important aspects of our economy and more attention given to the environmental impact on the total program. Commissioner Jackson said before the Commission is given a document on which to vote, he would like to see some information on trade offs between preservation and capacity increases.

The Director said members of the team would get back to him over the next 30 days to address the questions.

#### Detroit Area Regional Transportation Authority (DARTA)

The Director said that history was made last week. The Regional Transit Coordinating Council in Detroit came together with the Oakland County Executive, the Wayne County Executive, the Chair of Macomb County Board of Commissioners, and the Mayor of the city of Detroit and signed an historic document. It established the Detroit Area Regional Transportation Authority (DARTA). It provided a mechanism via a Urban Cooperative Act and the Intergovernmental Transfer of Functions and Responsibilities Act by which regional transit can be more than a conversation. The agreement provides for the transfer of the responsibilities of the RTCC to DARTA, this includes the planning and allocation of state and federal funds. DARTA will be the designated recipient of federal funds in the greater Detroit Region and they will work with both Suburban Mobility and Regional Authority and the Detroit Department of Transportation to coordinate public transportation. By March 2004, the Authority Board will retain a CEO, who will administer the agreement. They will manage the day-to-day operations and oversee the development of a service plan for the region by March of 2005. In addition, the service areas will include not only Oakland, Wayne, the City of Detroit, and Macomb, but also the County of Monroe. There will be Citizen Advisory Committee. DARTA is prohibited from levying taxes.

#### Transportation Summit

One of MDOT priorities is partnership. We will develop an action plan and a means of tracking the progress of a Michigan transportation system. The Director said there will be a series of planning meetings to be held throughout the summer and fall and in December MDOT will host a Transportation Summit.

#### **SPECIAL PRESENTATION**

A presentation was made to past Commission Chairman Bart LaBelle. Mr. LaBelle served 12 years as Chairman of the State Transportation Commission. Chairman Wahby presented Mr. LaBelle a model of the rest area sign that will be placed at the Alamo Rest Area that will be designated in his name, along with a copy of the plaque that will be placed in the rest area. Mr. LaBelle thanked the Commission members and Department staff and told them how much he enjoyed serving with the Commission members and staff.

#### **OVERSIGHT**

##### Commission/State Administrative Board Contracts and Agreements (Exhibit A) and (Supplemental Exhibit A)

Commission Wahby asked for comments on Exhibit A. There were none. It was moved by Commissioner Garside, with support from Commissioner Awrey, to grant approval to the Department to proceed with the contract process. The motion carried on a unanimous voice vote.

##### Bid Letting Pre-Approvals (Exhibit A-1) Letting Exceptions (Exhibit A-2)

Myron Frierson reported that there had been three lettings in May. The regular letting March 2 and two special lettings one on May 5 and one on May 16, totaling 82 projects. Focusing on the State jobs, there were 20 state projects, bringing the total of State projects for this fiscal year to 338. In 2002 there were about 304 State projects. Total dollars let for the State program this year amounted to \$524 million, compared to the 2002 total of \$722 million. There was a reminder that Exhibit A-1, item 38, had been requested to be withdrawn.

It was moved by Commissioner Awrey, with support from Commissioner Jackson, to approve Exhibit A-1 and Exhibit A-2. The motion carried on a unanimous voice vote.

#### Information Items (Exhibit A-3) and (Supplemental A-3)

This was an informational item only.

#### Transportation Asset Management Council

Commission Advisor Pat Lockwood announced that the Council met in Gaylord on May 7 and reviewed the results of the data collection survey that was conducted with the 617 road agencies. Responses were received from 36 percent of those individuals. All but four county road commissions, and all but three of the 30 largest cities did respond. Results showed that majority of the agencies using the pavement management system are using the road soft program. Council staff has been making preparations for the collection process that will begin in August. Training sessions are taking place and will continue through June and July. The Asset Management Annual Report was sent to the Legislature. Michigan has been asked to participate in a breakout session with the Asset Management Conferences that will be held in Atlanta, Georgia and Seattle, Washington. The invitation is being reviewed. The next meeting will be held June 4 in Grand Rapids at the Kent County Road Commission office and the July 2 meeting has been canceled.

#### **PUBLIC COMMENTS**

Michele Brant, Aide to Representative Christopher Ward, stated she was there on behalf of Representative Ward. She inquired when the M-59 project would go back in the five-year program and also inquired about the 90 percent good road goal and why not 85 percent goal? Sue Mortel said four or five years ago at workshops the Commissioners reached that percentage, because they believed it to be an appropriate goal at that time. The Director and the Governor will restart the program when the goal can be reached and sustained and when we receive additional money through the re-authorization process.

#### **ADJOURNMENT**

Chairman Wahby announced that the next meeting would be June 26, 2003 in Houghton and adjourned the meeting at 10:00 a.m.

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Commission Advisor  
Patricia A. Lockwood